

Minutes of the Special Meeting of the Syracuse City Redevelopment Agency held on March 12, 2019, at 7:24 p.m., in the Council Chambers, 1979 West 1900 South, Syracuse City, Davis County, Utah.

Present: Members: Lisa W. Bingham
 Corinne N. Bolduc
 Dave Maughan
 Doug Peterson
 Jordan Savage

Mayor Mike Gailey
City Manager Brody Bovero
City Recorder Cassie Z. Brown

City Employees Present:

City Attorney Paul Roberts
Finance Director Steve Marshall
Community Development Director Brigham Mellor
Public Works Director Robert Whiteley
Fire Chief Aaron Byington
Police Chief Garret Atkin
Parks and Recreation Director Kresta Robinson

1. Meeting Called to Order/Adopt Agenda

Mayor Gailey called the meeting to order at 7:24 p.m. as a special meeting, with notice of time, place, and agenda provided 24 hours in advance to the newspaper and each Boardmember.

BOARDMEMBER MAUGHAN MOVED TO ADOPT THE AGENDA. BOARDMEMBER BINGHAM SECONDED THE MOTION; ALL VOTED IN FAVOR.

2. Proposed Resolution RDA19-01 establishing the Tenant Incentive Program for certain spaces within the Antelope Business Park.

A staff memo from the Community and Economic Development (CED) Department explained the Antelope Business Park is located on the north half of the Syracuse State Road (SR) 193 project area. The business park has built two out of four originally planned buildings and the owners are experiencing difficulty in leasing their existing tenant spaces in the two completed buildings. The Redevelopment Agency (RDA) board expressed interest in offering incentives to attract future tenants of the project.

The Syracuse SR-193 EDA is a 73.5-acre property tax collection area created to 'facilitate economic development and create jobs in a premium quality business park that has excellent roadway access and rail access.' The time frame for tax increment collection is 15 years; it was activated in 2014 and will expire in 2028. The 2017 taxable value of the area was 34 million. The project has not generated the anticipated incremental tax revenues as to date. The Agency is authorized to receive 80 percent of the generated property taxes with the taxing entities receiving 20 percent until the project expires. At that point, the taxing entities will resume receiving the full 100 percent property tax. The City also has three other project areas: Town Center RDA, Syracuse 750 West RDA, and Antelope Drive CDA.

With the goal of assisting in filling the two existing building's vacancies, please find below a proposed incentive structure. Once spaces are leased up, the interior of the building is improved with tenant improvements, thus increasing the value of the buildings. Also, a full building attracts additional investment and signals to lenders that the borrower will be able to pay on loan payments. This would essentially be a 'subsidized' lease agreement. Based off construction costs and land value, the current advertised lease rate for the two buildings is .65 per square foot (PSF) in the warehouse and 1.10 PSF in the office. There is roughly 50,000 remaining square feet that needs to be leased up. A competitive lease rate is about 50 cents per square foot on warehouse. Multiplying 50,000 x .15 = 7,500 per month x 12 months is roughly 90,000 per year. Most leases are five to 10 years and \$90,000 per year for five years is \$450,000. If this is approved by the RDA Board, it is information that could be advertised on the project flyer up front, attracting additional traffic. Please find the rate structure below:

- .10 per square foot- for a new business with a five-year lease;
- .12 per square foot- for a new business with a five-year lease, and at least 10 employees;
- .15 per square foot- for a new business with a five-year lease, at least 10 employees, with an average wage of \$50,000 per year

CED Steele reviewed his staff memo.

Boardmember Savage asked if the \$50,000 average wage includes benefits or if it is strictly an employee's salary. City Attorney Roberts stated that is an employee's gross wage, not including benefits.

BOARDMEMBER MAUGHAN MADE A MOTION TO ADOPT RESOLUTION RDA19-01 ESTABLISHING THE TENANT INCENTIVE PROGRAM FOR CERTAIN SPACES WITHIN THE ANTELOPE BUSINESS PARK. BOARDMEMBER PETERSON SECONDED THE MOTION. ALL VOTED IN FAVOR.

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At 7:30 p.m. BOARDMEMBER BOLDUC MADE A MOTION TO ADJOURN. BOARDMEMBER SAVAGE
SECONDED THE MOTION; ALL VOTED IN FAVOR.

Mike Gailey
Mayor

Cassie Z. Brown, MMC
City Recorder

Date approved: April 23, 2019